

CORRESPONDENCE

(89)

IN continuation of correspondence already brought down respecting agreement between Australia and the Eastern Extension Company with reference to the Pacific cable.

MELBOURNE, March 4, 1903.

LAURIER, Ottawa.

In pursuance of promise at the time of colonial conference, have much pleasure in informing you that government here about to enter into agreement Eastern Extension Company subject approval of parliament. New agreement will affect whole Commonwealth and will be in substitution for existing agreement with New South Wales, South Australia, Tasmania, Western Australia, current for ten years, then terminable, two years' notice either side. Company entitled to establish offices in four states mentioned, and in agreement will have right establish offices also in Victoria, Queensland, though latter not contemplated yet. New clause precludes company disposing of cables ordinarily used between Australian colonies and Great Britain or Commonwealth without first giving option Her Majesty's government and Commonwealth purchase of cable and appurtenances, price to be agreed upon or arbitration. Think extension of agreement to Victoria and Queensland more than compensated by change from perpetuity at will of the company into contract terminable reasonably short time.

BARTON.

OTTAWA, March 6, 1903.

BARTON, Premier, Melbourne, Australia,
(per Pacific cable.)

Canadian government protest against action of your government. The concessions made by New South Wales to the Eastern Extension Telegraph Company were regarded by Canada as a violation of the spirit of the arrangement under which the Pacific cable was constructed. What is now proposed seems to be nothing less than an extension of the objectionable concessions for a period of years to other parts of the Commonwealth. Canada assumed a large share of the responsibility of the Pacific cable, believing that all the colonies which were parties to the contract would do everything possible to direct business over new line. The Canadian government deeply regret the departure from that understanding which has already occurred against their protest, and now urge upon the government of Commonwealth that no further extension be granted to the Eastern Extension Telegraph Company.

LAURIER.

LONDON, March 16, 1903.

Lord Strathcona to Sir Wilfrid Laurier.

Do you wish me to take any action respecting facilities Commonwealth propose grant Eastern Extension Company? Presume from newspaper references that you

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have full particulars. New Zealand government instruct agent general join with Imperial and Dominion governments making strong protest. Cable reply.

OTTAWA, March 16, 1903.

Sir Wilfrid Laurier to Lord Strathcona.

We have made strong protest to Barton. We will be glad if you will do everything to defeat contemplated arrangement between Commonwealth and Eastern Extension Company.

SYDNEY, via Bamfield, March 18, 1903.

PREMIER, Canada.

Think you have misunderstood my telegram respecting agreement with Eastern Extension Company. Commonwealth under constitution was burdened with pre-existing agreements of New South Wales, South Australia, Tasmania and Western Australia, which are perpetual unless terminated by mutual consent. New agreement, however, although applying to the whole of Australia, may be terminated by two years' notice after the expiration of ten years. This provision of contract forbidding company dispose rights and cables without option for the purchase being first given to government are two main modifications original contract in return for extension area of agreement to the whole of Australia. It was obviously against interests of owners of Pacific cable that over two-thirds Australia should be interminably bound by prior agreement with which this government was saddled by constitution. Propriety otherwise of action taken by New South Wales before federation does not affect conditions which this government had to face in making new agreement, but nevertheless had we left matters as they stood, we should have been justly chargeable with neglect of interests of our partners in Pacific cable.

BARTON.

OTTAWA, March 24, 1903.

BARTON, Sydney, Australia,
(per Pacific cable.)

New South Wales having against Canada's protest granted concession to Eastern Extension Company, Canadian government unable to assent to Commonwealth's proposed agreement with that company enlarging area of concession even for limited period, and we persist in our protest against contemplated enlargement.

LAURIER.

OFFICE OF THE HIGH COMMISSIONER FOR CANADA,
17 VICTORIA ST., LONDON, S.W.,
March 21, 1903.

The Right Honourable

Sir WILFRID LAURIER, G.C.M.G., P.C.

On the 16th instant I telegraphed you in cypher as follows:—

'Do you wish me to take any action respecting extension facilities Commonwealth proposed grant Eastern Extension Company. Presume from newspaper references you have full particulars. New Zealand government instructed agent general join with Imperial and Dominion governments making strong protest,' and on the 18th I had your reply as under:

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'Have made strong protest Barton. We will be glad if you will do everything defeat contemplated arrangement between Commonwealth and Eastern Extension Company.'

I have communicated with the agent general of the New Zealand government on the subject, and it is also to be taken up in a few days by the Pacific cable board, after which we are jointly to have an interview with Mr. Chamberlain in the matter. You may feel assured that everything possible to be done here will be done to prevent what could not be otherwise than very prejudicial to the Pacific cable.

STRATHCONA.

MELBOURNE, May, 1903.

LAURIER, Ottawa.

Agreement with Eastern Extension Company signed. Copy by mail.

BARTON.

NOTE.—Other papers submitted with this return may be found by reference to Sessional Papers Nos. 51, 1899; also 59 and 59*a*, 1901.

